



INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Department of Insurance

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Fraud Statistics/Convictions Activity

December 2008

Fraud Statistics

	<u>Month</u>	<u>YTD</u>
Total Referrals Received.....	75	1023
Open Cases (Investigations-includes prior years)		219
Assigned Cases (Investigations).....	3	212
Closed Cases (Investigations).....	4	203
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	1	22
Charges (1 felony).....	1	190
Convictions (1 felony, 1 misdemeanor)	2	101
Restitution Ordered.....	\$ 12,546.16	\$ 1,438,594.40

Convictions Activity

Steven Daniels – Daniels committed the offense of Fraudulent Insurance Acts over \$300, when he knowingly and with intent to defraud or deceive, presented or caused to be presented to State Farm Insurance an invoice in support of a claim, knowing that it contained false, incomplete, or misleading information. Specifically, Daniels submitted an invoice in the amount of \$775.00 for towing and storage by Gibson's Automotive for his insured vehicle which reportedly had burned on 10/20/07. State Farm issued a payment to Daniels as the invoice indicated he had paid cash to Gibson's Automotive. State Farm subsequently learned that Gibson's Automotive did not prepare the invoice, nor did they provide any services. On 11/21/08, Daniels entered a guilty plea to the amended misdemeanor charge of fraudulent insurance acts under \$300.00, and was sentenced to 360 days probated for 24 months. He was ordered to pay court costs in the amount of \$154.00.

Robert Pratt - Between 11/18/03 and 12/14/04, Pratt committed the offense of Fraudulent Insurance Acts over \$300, when he knowingly and with intent to defraud or deceive, presented or caused to be presented to Kentucky Employers' Mutual Insurance (KEMI) statements as part of or in support of an application for an insurance policy, knowing that it contained false, incomplete, or misleading information. Specifically, Pratt employed numerous employees above the three he declared in his application, and in doing so did not pay the appropriate amount of workers' compensation insurance premium, resulting in a loss of premiums due to KEMI. On 11/19/08, Pratt pled guilty to the felony count of fraudulent insurance acts. He was sentenced to five years and his Motion for Probation was granted, which orders him to remain in jail until his release to a federal halfway house on 1/9/09. He was ordered to pay restitution in the amount of \$12,546.16 to KEMI; a fine in the amount of \$2,155.16 to the Fraud Division for investigative expenses; and a fine in the amount of \$1000.00. He must also pay a \$30.00 monthly supervision fee and \$150.00 in court costs.